Ministry of
Sustainable Resource
Management

Agricultural Land Commission

2003/04
Annual Service Plan Report

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Table of Contents

Accountability Statement 5

Message from the Minister 7

Year-at-a-Glance Highlights 9

Commission Role and Services 10

Performance Reporting 17

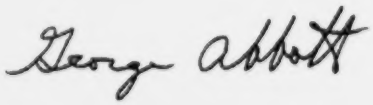
Report on Resources 27

Appendix 1: Net changes to the ALR by region, 2003/2004 28

Appendix 2: Summary of ALR decision reasons for approvals, 2003/2004 29

Accountability Statement

The 2003/04 Agricultural Land Commission Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the Commission's 2003/04 Service Plan. I am accountable for the Commission's results and the basis on which they have been reported.

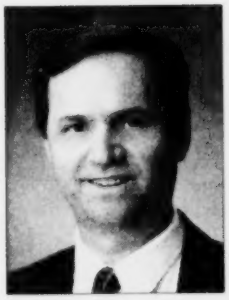


Honourable George Abbott
Minister of Sustainable Resource Management

June 29, 2004

BRITISH COLUMBIA

Ministry of Sustainable Resource Management
Agricultural Land Commission



Although I assumed responsibility for the Agricultural Land Commission late in the fiscal year, I am very familiar with its work to protect agricultural land and its accomplishments over three decades. The Commission has done an outstanding job in preserving our valuable farmlands on behalf of all British Columbians. This land has provided the foundation for a consistently expanding agricultural sector that provides income, jobs and stability to our rural and urban communities, and food for all British Columbians.

The work of the Commission in managing the Agricultural Land Reserve in a fair and balanced manner has assisted the ministry and government in advancing land use certainty throughout the province over the past year. This, in turn, has helped the government build a strong and vibrant economy together with safe, healthy communities and a sustainable environment.

One of the pillars of the Commission's work over many years has been its close relationship with the municipalities, regional districts, farmers and ALR landowners across British Columbia. These are all partners in, and stewards of, the ALR. The regionally responsive six panel structure of the Commission has been well-received by them. The panel members have built on their relationships with local governments and stakeholders and have improved their knowledge and awareness of local issues and concerns. A regionally based Commission is helping to broaden economic opportunities for those living and working in the ALR and this continues to build sustainability for BC over the long term.

British Columbians can be proud of the province's thirty-year history of agricultural land preservation and the positive effects this land use certainty has had for our growing agricultural sector and our expanding communities. I look forward to working with the Commission Chair and other members in the coming year.

George Abbott

Honourable George Abbott
Minister of Sustainable Resource Management

Year-at-a-Glance Highlights

During the fiscal year 2003/04 the Agricultural Land Commission continued to consolidate the changes and strategic shifts implemented during the two previous years. Advances were made in how the Commission delivered its services to stakeholders and the public. The regional model adopted in May 2002 effectively brought decision-making closer to those affected by Commission decisions and increased opportunities for collaboration with local governments and others. The Commission focused on agricultural land preservation through provincial zoning — the Agricultural Land Reserve or ALR — and the more efficient and effective management of the ALR. It made decisions on applications for exclusion, inclusion, non-farm use and subdivision within the Reserve. Some highlights for the year include:

- Six Commission panels continued to make ALR decisions in the six regions: South Coastal, Island, Interior, Okanagan, Kootenay and North. This was the first full year of operations for the six panels.
- During the year the Commission received 464 new applications for changes to the ALR boundary and permission for non-farm uses in the ALR, a number similar to the previous year.
- The Commission used its new legislation — the *Agricultural Land Commission Act, 2002* — and regulations to implement more results-based processes. It developed new policies to assist applicants and local governments in understanding and applying the legislation.
- The Commission prepared and distributed "ALR and Community Planning Guidelines" to help local governments plan for agriculture and to support farm businesses.
- The Commission continued to fine tune and improve its performance management and information systems.
- The Commission and the Oil and Gas Commission (OGC) concluded a delegation agreement to delegate certain oil and gas approvals in the ALR to the OGC under mutually agreed guidelines. This will improve one-stop permitting for oil and gas development in the ALR in the province's Peace region.
- The Commission panels met with many applicants, local governments, agricultural organizations, ministries and agencies over the year in their decision-making capacity and to pursue further collaborative arrangements.
- The Commission Chair and staff led the government initiative to phase-out the Forest Land Reserve and to implement a new model for the regulation of forest practices on private managed forest lands. This new model, developed jointly with ministry staff and industry representatives, will be fully implemented during fiscal 2004/05.
- The Commission participated in informal discussions with some First Nations at the treaty agreement-in-principle stage and worked on solutions to resolve First Nations issues around land selection in the ALR. Legislative amendments to the Act were drafted to enable First Nations to apply directly to the Commission for ALR lands within their jurisdiction.

Commission Role and Services

Commission Overview

The Agricultural Land Commission administers the Agricultural Land Reserve, a provincial land use zone that encompasses 4.75 million hectares of agricultural land. The ALR was established in 1974-75 based on a review of agricultural capability (a combination of soil and climate ratings), existing land use and an extensive consultation process with local governments, landowners and other stakeholders. The boundaries of the ALR are continually adjusted to reflect better information on the suitability of lands for agriculture, changes in land use and community needs. Boundary adjustments result from Commission decisions made on applications for land use changes or as a consequence of community plan reviews.

The Commission has a clearly defined public purpose, authority and role as defined in the legislation it administers on behalf of the province — the *Agricultural Land Commission Act, 2002*. The legislation describes the purposes of the Commission as follows:

a) to preserve agricultural land;

b) to encourage farming on agricultural land in collaboration with other communities of interest; and

c) to encourage local governments, First Nations, the government and its agents to enable and accommodate farm use of agricultural land and uses compatible with agriculture in their plans, bylaws and policies.

The protection of agricultural lands, through a provincial ALR, benefits all British Columbians by providing opportunities for the production of safe, high quality food, both now and in the future.

The Act sets out procedures for land use approvals including the inclusion or removal of land from the ALR, and non-farm uses and subdivisions within the ALR. Among other provisions, the Act provides for the delegation of authority to decide non-farm use and subdivision applications to a local government or a public authority. The Act is supported by the *Agricultural Land Reserve Use, Subdivision and Procedure Regulation,* which defines permitted land uses within the ALR and details procedures for applications and enforcement and compliance activities for the Reserve.

In addition to land use applications under the Act, the Commission reviews relevant plans and bylaws of local governments to ensure that the ALR is properly identified and that local policies are supportive of the ALR and farmland preservation. The Commission works with other agencies and ministries to ensure that their policies and programs support and do not hinder farming on agricultural land.

The Commission works closely with various partners to deliver its services to the public. Foremost are the 136 local governments across the province with ALR land within their jurisdictions. Local governments receive, review and make recommendations on applications before they are forwarded to the Commission. Local community plans and bylaws help

reinforce the provincial ALR and provide a stable land base within which farms and related businesses can thrive. The Commission works closely with local boards and councils to plan for agriculture and to help reduce the regulatory burden for farmers and others in the ALR. The Commission also works with other public authorities such as the Oil and Gas Commission and Land and Water BC to streamline regulatory compliance for related economic activities such as resource extraction in the ALR.

The Commission is an independent administrative tribunal funded by the Ministry of Sustainable Resource Management and reporting directly to the Minister. It operates with similar values to the ministry and adheres to the ministry Governance Principles for Sustainability. It also has a close working relationship with the Ministry of Agriculture, Food and Fisheries and works jointly with ministry staff on programs such as 'Strengthening Farming'.

In 2003/04 the Commission worked with staff of the Sustainable Resource Management and Water, Land and Air Protection Ministries together with the Private Forest Landowners' Association (representing industry) to develop a new way of regulating forest practices on private managed forest lands. The Commission Chair led the implementation of a new partnership — the Private Managed Forest Land Council — to assume oversight of forest practices and to protect public values in privately owned forests.

Commission Vision, Mission and Values

Vision

A provincial agricultural land reserve system that fosters economic, environmental and social sustainability

The Agricultural Land Reserve provides a sustainable agricultural land base that supports, and creates opportunities for, a safe and secure source of food and other agricultural products. The protected land base provides for agricultural expansion and compatible economic activities. It helps build healthy and sustainable rural and urban communities.

Mission

Preserve agricultural land and encourage and enable farm businesses throughout British Columbia

The Agricultural Land Commission is the provincial agency responsible for administering the provincial land use zone in favour of agriculture — the Agricultural Land Reserve. In pursuit of its vision and mission, the Commission adjudicates change of use applications; reviews plans and bylaws to ensure consistency with provincial objectives; and works with local governments and others to encourage and enable farming of agricultural lands. The preservation of agricultural land and encouragement of farming is a provincial interest that has widespread public and industry support.

Values

The Commission is committed to the following values to guide its activities and the delivery of public services.

Integration — Policies and programs foster long-term sustainability by considering a range of economic, social and environmental values for the benefit of present and future generations.

Accountability and fairness — The Commission sets performance standards and implements mechanisms for compliance, auditing and reporting on progress. The Commission acts fairly and in the public interest.

Transparency — The Commission establishes open decision-making processes and the basis of all decisions is public information.

Science and knowledge — Agricultural Land Reserve boundaries and decisions are based on biophysical criteria, local knowledge and site specific circumstances.

Responsiveness — The Commission, in carrying out its responsibility to protect the provincial interest in agricultural land preservation, considers the needs of farmers, landowners, applicants, First Nations, local governments and others.

Shared Responsibility — The Commission is aware that its decisions affect others, and that others share in the responsibility for making decisions. The Commission strives to develop working relationships with local governments, First Nations and other communities of interest and to ensure consultation with stakeholders in all of its decisions and activities.

Certainty — The Commission makes clear and timely decisions within a predictable and understandable regulatory framework.

Commission Operating Context

The Commission's work over the year was influenced by both internal and external factors. During 2003/04 the Commission consolidated many of the significant changes that took place during the two previous years, both for the Commission itself, and across government. The Commission's focus over the past year has been to build certainty and stability for the ALR through the efficient delivery of its program and services, and to accomplish this within a reduced budget.

Internal factors

The chief internal factors affecting the Commission were government's continuing direction to improve regional responsiveness; to streamline operations and reduce regulations; and to implement more results-based processes. Commission staff worked in regional teams to handle their increased workload resulting from workforce adjustment and reduced resources.

The six panel regional structure of the Commission was fully operational during the fiscal year. The Commission operated with monthly meetings of the panels in their regions and onsite meetings with most applicants. The number of applications submitted to the Commission remained largely unchanged from the previous year, despite new regulations that broadened uses permitted in the ALR. The Commission received 464 new applications during the year, compared to 465 applications during 2002/03.

Delegating further subdivision and land use decisions to local governments remained a significant and largely unfulfilled challenge. Despite continuing efforts by the Commission, no new delegation agreements were negotiated with local governments during the year. In a survey of local governments, only 14 of 136 expressed an interest in discussing delegation with the Commission. The continuing lack of interest by most local governments in assuming additional decision-making authority for the ALR means the Commission has had difficulty in meeting even the most modest targets for delegation. The Commission has eliminated its strategy to reduce the number of ALR applications through delegation and other means, as a result of this response.

The existing delegation agreement with Fraser-Fort George Regional District has been extended to include several additional community planning areas. This delegation initiative has met its objectives and risks to the Commission's mandate in this area are considered low.

External factors

Agriculture suffered several severe setbacks this past year, including the effects of a single Bovine Spongiform Encephalopathy (BSE) outbreak in Alberta cattle and avian influenza in the Fraser Valley. As a result of export restrictions due to BSE, cattle sales receipts were down 35% in 2003. Projected income from agriculture in BC is expected to fall short of targets established for 2003/04. Nevertheless agriculture continues to be a steady contributor to the BC economy and its spin-off effects in food processing, distribution, retailing and food services are substantial components of the BC economy. The positive benefits from the primary agricultural sector are felt in all areas of the Province.

An increasingly competitive world economy creates additional challenges for BC's farm businesses, as food commodity prices are forced downward. Input costs for farmers in BC remain high. Many have responded by focusing on fresh local and regional markets and by creating value-added products that provide a greater return. Some BC farmers are producing high value products such as greenhouse vegetables that are aimed at niche markets. For example, BC hot house growers have been very successful at bringing new products to market and expanding their markets. Greenhouse producers use state-of-the-art technology to produce high quality crops in a sustainable and safe manner; annual production in BC in this sector now exceeds $250 million.

Development pressures on farmland continue, particularly in the high growth areas of the province — the Lower Mainland, the Okanagan and southern Vancouver Island. Short-term arguments to develop farmland often disregard the positive economic and

environmental benefits of productive farmland over the long-term. The benefits of the ALR in directing settlement onto other lands and increasing density of development should not be overlooked. The existence of the ALR for thirty years has led to the development of more compact communities in BC, with associated savings in infrastructure, energy and transportation costs.

Ongoing Issues and Risks

The Provincial government has renewed its efforts to advance the First Nations treaty settlement process in the past year. This is a high profile issue for the Commission, as treaty settlement lands offered to some First Nations include land designated ALR. The Commission continues to work with First Nations, ministries and agencies involved in the treaty settlement process to achieve the object of the *Agricultural Land Commission Act*. To this end, the Commission is proposing legislative amendments that will provide First Nations with similar rights and obligations as local governments under the Act and enable the Commission and First Nations to work towards outcomes that recognize First Nations' community needs and protect the agricultural land base.

The Commission is working to identify further opportunities to share decision-making authority with other public agencies and local governments. While this has been a 'tough sell' to date, particularly with local governments, some opportunities remain to partner with other public bodies to provide decision-making capability for the ALR while continuing to maintain provincial oversight.

There is a degree of uncertainty in the agricultural business sector as a result of BSE, US border closures to live cattle and avian influenza. This uncertainty is affecting farming on a daily basis and is reflected in declining farm incomes in the beef and poultry sectors. Declining farm incomes place additional pressures on the Commission in its management of the ALR as often, exclusion, subdivision and other non-farm uses of ALR lands are seen as a way to supplement declining farm incomes. The provincial role in managing the ALR is essential to provide stability and certainty for the land base needed for successful agriculture. Land use certainty provided by a provincially managed ALR can help stabilize rural economies and contribute to provincial prosperity over the long term. The Commission will be analyzing and addressing risks to the delivery of their programs in the years to come as government implements an enterprise-wide risk management system.

Commission Structure

The business of the Agricultural Land Commission is carried out through three functional areas that are the equivalent of a single core business area. The Commission is responsible for administering the ALR. The ALR was 4,752,631 hectares, as of March 31, 2004, an area substantially unchanged from the previous year (See Appendix 1).

The Commission staff structure has three components:

1. Strategic Planning and Corporate Policy. The Commission develops policy and participates in the agricultural planning and policy initiatives of other ministries, agencies and local governments.
2. Regional Operations. Staff, organized by region, supports the Commission in its review and adjudication of applications under the legislation, and compliance with the Act and regulations.
3. Administration and Information Systems. This function includes accounting, administrative support and records management. The Commission maintains an application database and ALR maps for the province.

The Commission's clients are the public, owners of land in the ALR, local governments, farm businesses, related agricultural industries, service providers, ministries and other agencies of government.

Strategic Shifts and Significant Changes in Policy Direction

The Commission worked on consolidating the strategic shifts it implemented during the previous two years. A stable and predictable agricultural land base provided by the ALR helped the ministry and government build and maintain land use certainty throughout the province. In turn, this has helped lay the foundation for economic recovery, particularly in the rural areas of the province.

- There were no additional delegation agreements concluded with local governments during the year; however, the Commission re-focused its efforts on those local governments that expressed interest in assuming some additional decision-making authority for the ALR. The Commission revised its performance measure for delegation to reflect the lack of interest by most local governments in delegated authority.
- One delegation agreement was negotiated with a public agency — the Oil and Gas Commission — for oil and gas development in the ALR in the Peace River and Northern Rockies Regional Districts. Potential agreements with other public agencies were investigated.

Update on *New Era* Commitments

The Commission substantially achieved the *New Era* commitment "to increase regional responsiveness of the Commission to community needs" over the previous two years. This was accomplished by the new Commission structure of six panels making ALR decisions in six regions of the province and meeting with applicants, stakeholders and local governments on a regular basis. During the year the Commission improved its performance management system to specifically track the decisions it made that were based on 'community need'. This is reported in the following section.

Performance Reporting

Overview of Commission Goals

The Commission's goals and objectives in the *2003/04 – 2005/06 Service Plan* were revised from the previous plan. Goals 1 and 2 more closely reflect the Commission's purpose from its governing legislation. Goal 3, a new goal, reflects government's *New Era* commitment to make the Commission more regionally responsive to community needs. Goal 4, relating to how the Commission operates, has been modified to reflect ministry and government operating principles.

Goal 1: Preservation of agricultural land

This goal is the primary purpose of the Commission as set out in the *Agricultural Land Commission Act, 2002*. Government has given the Commission a mandate to preserve agricultural land and this is accomplished through provincial zoning — the Agricultural Land Reserve or ALR.

Achieving this goal helps to ensure a safe and secure source of food for both domestic and export markets, and contributes to economic and social sustainability. Everyone in BC benefits by the availability of fresh, locally produced, high quality food.

The Commission is primarily responsible for protecting the agricultural land base. However, it relies on local governments, provincial ministries and agencies to help protect agricultural lands through their own policies and planning. These collaborative relationships are critical to achieving success for the goal of protecting agricultural lands.

The Commission's objectives under this goal are to ensure that lands suitable for agriculture are retained in the ALR and that non-farm uses do not significantly impact agricultural suitability and use. The Commission made land use decisions consistent with these objectives. The Commission also worked with local governments, First Nations and other agencies to ensure that the ALR was appropriately reflected in their land use plans, policies and agreements.

Goal 2: The encouragement and enabling of farm businesses

This goal reflects the Commission's purpose to encourage farming on agricultural land. Enabling farming and other compatible economic activities on agricultural land enhances the use and productivity of agricultural land, and contributes to overall sustainability.

Achieving this goal helps to realize the government's goals of "a strong and vibrant provincial economy", and "safe, healthy communities and a sustainable environment". Growth in the agriculture sector contributes to the provincial and regional economies, creates jobs and enhances rural stability. As an important and steady contributor to local and regional economies, agriculture helps stabilize incomes in communities where resource

industries are cyclical or in decline. The public benefits from a healthy agricultural sector that, in addition to producing high quality food and other agricultural products, provides environmental values including habitat, recreation opportunities, hydrological functions, air cleansing, green space and more. These broad societal benefits are in line with the Commission's vision to foster overall sustainability.

The Commission shares the responsibility for encouraging farm use of agricultural lands with its key partners. These include local governments, landowners, the agricultural sector and its professional organizations, the Ministry of Agriculture, Food and Fisheries, the Ministry of Sustainable Resource Management, other ministries and agencies, Agriculture Canada and other federal agencies, and First Nations.

To encourage and enable farming in the ALR, the Commission worked with local governments and public agencies to ensure that their plans, policies and activities permitted and enabled the use of the ALR for agriculture. It partnered with other agencies to help reduce the regulatory burden for farm and other land-based businesses in the ALR. In its decision-making and the application of its regulations the Commission allowed for farm business expansion, value-added activities and resource extraction in the ALR.

Goal 3: A provincial land reserve system that considers community interests

The ALR is a land use zone that realizes the provincial interest in protecting agricultural land for farm and related uses. In its decision-making, the Commission balances the provincial interest with community interests to preserve agricultural lands throughout BC.

Achieving this goal helps make land available for farming, related businesses such as agri-tourism and other land-based economic activities. In most cases community needs can be accommodated without diminishing opportunities for farming.

The Commission is primarily responsible for achieving this goal; however it also relies on the cooperation and positive participation of its local government partners and the overall support of the public for its program.

The Commission worked closely with communities and their elected representatives to understand community issues, to assess and address community needs and to balance those with the provincial interest in preserving lands for agriculture. The Commissioners met in their respective regions on a monthly basis so that ALR decision-makers would be familiar with local concerns and issues. These meetings with local government politicians, staff and applicants improved the flow of information and understanding of local issues. The Commission factored community needs into decision-making and it worked closely with those communities preparing plans and bylaws that involved agricultural land.

Goal 4: Sound governance and organizational excellence

This operational goal describes how the Commission achieves its mandate. The Commission goal is to serve the public purpose through sound governance and excellence in its organization and operations.

Achieving this goal improves the Commission's services to the public and its partners.

Within budget constraints, the Commission is responsible for this goal and for the objectives of responsiveness, effectiveness and accountability; timely and efficient response; and performance focused staff.

The Commission continued to make progress towards its objectives to be responsive, effective and accountable and to provide timely and efficient response. The Commission significantly improved its application processing time over the previous year. With the regional structure fully operational the Commission was able to improve the overall efficiency and effectiveness of its operations. The Commission further developed its methods to assess performance to improve its accountability to government and the public. The objective of performance focused staff was assisted by the completion and implementation of employee performance and development plans for all staff during the year.

Report on Results

Goal 1

Preservation of agricultural land

Objective 1: Lands suitable for agriculture are retained in the ALR

Key Strategy: Adjudicate applications based on land suitability and capability for agriculture.

Performance Measures and Results

The measures are 'total area in ALR' reported in the table and 'net changes in the ALR by region' reported in Appendix 1. The target was to maintain the overall ALR area and minimize net reductions. This target was achieved with a net reduction of ALR area of 222 hectares for the fiscal year compared with a net reduction of 1,922 hectares for the previous fiscal year (2002/03).

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Total area in ALR and net changes **(See Appendix 1 for net changes by region)**	4.75 million hectares Minimize net reduction	4.75 million hectares 222 hectare net reduction	Achieved

Objective 2: Land use changes do not significantly diminish land capability and use for agriculture

Key Strategy: Minimize the amount of suitable agricultural land excluded from the ALR or alienated by incompatible development.

Performance Measures and Results

The original measure for this objective was 'application approvals with significant potential impact'. This measure was under development at the time the Service Plan was published but later was found to be not meaningful (i.e. few applications are approved that have significant impact) and impractical to track. The measure was revised to 'applications approved because of no significant impact' on the ALR. This measure was tracked and the baseline established for 2003/04. There are therefore no comparative results for the previous year. The Commission currently tracks five decision reasons for application approvals — see Appendix 2 for a summary of the decision reasons for applications approved by the Commission during 2003/04.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Applications approved because of no significant impact (revised measure) **(See Appendix 2 for summary of ALR decision reasons)**	Maintain or increase applications approved based on no significant impact	39% of approval reasons (baseline)	Baseline established

Objective 3: Expansion of economic opportunities for agriculture and compatible activities

Key Strategy: Consider compatible or complementary activities in the ALR in support of economic diversification.

Performance Measures and Results

The measure 'per cent of applications approved for compatible uses' was eliminated in the *2004/05–2006/07 Service Plan*. This measure is considered to be no longer relevant as amendments to the regulations now allow many compatible uses in the ALR without the requirement of Commission approval. The measure 'per cent of applications approved with compensating benefit' was tracked and the baseline established for 2003/04. For the third measure, data on the 'estimated value of resource extraction' in the ALR was difficult to obtain because the measure was overly broad. The original measure was modified to report the 'estimated value of oil and gas extraction from the ALR' for the year, for which data was available. This measure reports the economic contribution of a specific non-farm activity, oil and gas development, that is a compatible use in the ALR.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Per cent of applications approved based on compatibility with agriculture	Establish baseline and target	Measure eliminated 2004	Eliminated
Per cent of applications approved with compensating benefit	Establish baseline and target	8% of approval reasons (baseline)	Baseline established
Estimated value of oil and gas extraction in ALR (revised measure)	Establish baseline and target	Approx. value $1.16 billion[1]	Baseline established

[1] This value is based on a number of assumptions and estimates of oil and gas production for 2003/04 and provides a general indication of the value of a specific non-farm use allowed on ALR lands.

Goal 2

The encouragement and enabling of farm businesses

Objective 1: Plans, policies and activities of local governments, agencies and First Nations encourage, enable and accommodate farming

Key Strategy: Work with local governments to establish guidelines for community planning that address the provincial interest in encouraging farming; and apply the guidelines to plan reviews.

Performance Measure and Results

Applying the ALR guidelines to community planning should help to reduce obstacles to farming in the ALR. The measure is that local government plans are consistent with the guidelines with a target of 80% consistency (audited results) by 2005/06. The guidelines were distributed to local governments in early 2004.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Local government plans are consistent with provincial ALR guidelines	No target for 2003/04	Guidelines established and distributed	On track

Objective 2: Improved local government capacity to plan for agriculture and support farm businesses

Key Strategy: Encourage local governments to include farm community representatives in planning, including their participation on Board or Council advisory committees.

Performance Measure and Results

Agricultural Advisory Committees and other similar committees help local governments to consider agricultural issues during planning and help build understanding of, and support for, farm businesses in the ALR. The measure is the number of advisory committees with farm sector representation. The baseline is established for 2003/04.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Number of advisory committees with farm sector representation	Increase per cent of local governments with farm advisory committees	19 or 14% of local governments with ALR (baseline)	Baseline established

Goal 3

A provincial land reserve system that considers community interests

Objective 1: Increased awareness of community issues within the Reserve

Key Strategy: Build regional responsiveness of the Commission to community issues through increased presence in the regions.

Performance Measure and Results

The number of Commission meeting days in respective panel regions is used as an indicator of responsiveness of the Commission to community interests. The target is to maintain the number of meeting days in regions from the 2002/03 baseline of 112. The target was not met for 2003/04 because of budget and scheduling constraints for the six Commission panels. As well, more meetings were held in 2002/03 to introduce newly appointed Commissioners to the Councils and Boards, and to promote the opportunity for sharing decision-making in the ALR with local governments.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Number of Commission panel meeting days in regions	Maintain 2002/03 number of 112 meeting days	93 meeting days	19 below target

Objective 2: Community issues and needs factored into decision-making

Key Strategy: Consider community issues when making decisions.

Performance Measure and Results

The 'per cent of applications approved for which community need is a factor' is used to indicate the degree to which community needs are factored into decision-making by the Commission. The baseline is established for 2003/04.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Per cent of applications approved for which community need is a factor	Establish baseline	15% of approval reasons (baseline)	Baseline established

Objective 3: Increased participation of local governments and public authorities in ALR decision-making under delegated authority

Key Strategy: Negotiate delegation agreements in priority areas with interested and supportive local governments and public authorities.

Performance Measures and Results

The 2003/04 measures for this objective are the number of delegation agreements in place with local governments and public authorities. Because of the lack of interest by most local governments indelegated authority for the ALR (only 10% were interested), the target of delegating authority to 50% of supportive local governments by 2005/06 has been revised for the *2004/05–2006/07 Service Plan*. The Commission was not on track to meet its 2005/06 target for the number of delegation agreements with local governments because of the widespread reluctance of local governments to assume additional decision-making authority for the ALR.

The Commission negotiated one agreement with a public authority — the Oil and Gas Commission — but fell short of its target by one agreement.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Number of delegation agreements with local governments	No target for 2003/04 (50% of supportive local governments have delegation powers by 2005/06) (revised 2004)	1 agreement	Survey of local governments established only 10% of local governments interested in delegation
Number of delegation agreements with public authorities	2 agreements	1 agreement	1 agreement below target

Goal 4

Sound governance and organizational excellence

Objective 1: A responsive, effective and accountable Commission

Key Strategy: Reduce regulatory requirements.

Performance Measures and Results

The target of a 70% reduction in regulatory requirements — well beyond the government's objective of 33% — was substantially met although the Forest Land Reserve phase-out was not fully implemented and the repeal of the remaining provisions of the *Forest Land Reserve Act*, regulations and policies was underway but not completed by the end of the fiscal year.

Performance reporting by region improved with baselines established for 2003/04 for a number of measures.

The measure for the 'number of non-farm use/subdivision applications decided by the Commission' was dropped because the number of applications filed with the Commission is effectively beyond the Commission's control. As well, an anticipated reduction in number of applications resulting from the delegation of non-farm use and subdivision decision-making to local governments has not been realized because of lack of interest by local governments.

The *Private Managed Forest Land Act* was passed by the Legislature in November 2003.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Number of regulatory requirements	Reduce 70% from 2001/02 base	67% reduction	3% below target Substantially achieved
Performance reporting by region operational	Fully operational	Partially operational; baselines established for 2003/04	On track
Number of non-farm use/subdivision applications decided	Reduce 20% from 2001/02 base	Measure eliminated for 2003/04	Eliminated
New private managed forest land legislation	Adopt late 2003	*Private Managed Forest Land Act* adopted 2003	Achieved

Objective 2: Timely and efficient response

Key Strategy: Set standards for application response times and monitor results.

Performance Measure and Results

The measure for this objective is 'application processing time' and the target is '80% of applications decided within 90 days'. The actual processing timeline, at 76%, was within 4% of the 2003/04 target and well ahead of the results for the previous year (2002/03), when only 66% of applications were decided within 90 days.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Application processing time (measured as per cent of applications decided within 90 days)	80%	76%	4% below target

Objective 3: Performance-focused staff

Key Strategy: Develop and implement an employee performance and development planning system (EPDP).

Performance Measure and Results

The Commission committed to the completion and implementation of employee performance and development plans (EPDP's) for all employees by the end of 2003/04.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
EPDP's completed for staff and implemented	100% completion	100% completion	Achieved

Deregulation

The Commission made further progress in reducing regulatory requirements. This was accomplished with the passage of the *Private Managed Forest Land Act* in November 2003. This Act provides for the replacement of the program to regulate forest practices on managed forest lands within the Forest Land Reserve, by a new method of service delivery. Based on the new legislation, the Commission is transferring its responsibilities to a Private Managed Forest Land Council (expected in August 2004) and the remaining regulatory requirements will be transferred elsewhere in the Ministry of Sustainable Resource Management at that time. However, overall regulatory requirements for the new legislation and regulation are expected to be reduced.

The delegation agreement with the Oil and Gas Commission that came into effect April 1, 2004 provided further regulatory reductions for the Commission's areas of responsibility. Some of these regulatory requirements may be assumed by the Oil and Gas Commission.

Report on Resources

Introduction

The Commission operates under a single sub-vote of the Ministry of Sustainable Resource Management as specified in the *Estimates*. The Commission managed its programs and services within a planned budget reduction of 22% for the year. It received revenues from application fees of $132,800 for 2003/04 compared with fee revenues of $137,950 for 2002/03. The Commission spent $32,609 less than the estimate for the year. It started the 2003/04 fiscal year with 23 full-time equivalent (FTE) staff and started fiscal 2004/05 with 20 FTE's in line with the budget and plan. The Commission did not make any capital expenditures during the year.

In addition, the lack of interest by local governments in delegated decision-making for the ALR means the Commission has been unable to substantially reduce the number of applications it receives and processes. Thus the Commission's workload, measured by the number of applications, has remained unchanged between 2002/03 and 2003/04, an outcome that is largely beyond the Commission's control.

2003/04 Resource Summary

	Estimated[1]	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Total	**2,296**	**0**	**2,296**	**2263**	**33**
Full-time Equivalents (FTEs)					
Total	**22**	**0**	**22**	**21**	**(1)**
Capital Expenditures (CRF) ($000)					
Total	**43**	**0**	**43**	**0**	**43**

[1] 'Estimated' corresponds to the *Estimates* as presented to the Legislative Assembly on February 18, 2003.

Appendix 1: Net changes to the ALR by region, 2003/2004 (Hectares)

Commission Panel Region	ALR Area as of April 1, 2003	Inclusions 2003/04	Exclusions 2003/04	ALR Area as of March 31, 2004
Island	103,391	319	309	103,401
Okanagan	227,383	1	209	227,175
South Coastal	176,872	2	239	176,635
Kootenay	384,865	0	139	384,726
Interior	1,494,260	89	38	1,494,311
North	2,366,082	565	264	2,366,383
Total for BC	**4,752,853**	**976**	**1,198**	**4,752,631**

Net reduction of 222 hectares for 2003/04

All figures are in hectares and are provisional. ALR areas are subject to change, and are not therefore directly comparable, year to year, as digital mapping of the ALR is partially complete for the province.

Appendix 2: Summary of ALR decision reasons for approvals, 2003/2004

Approval Decision Reasons	Number of reasons cited for Application Approvals	Per cent
Approved based on no significant impact on agriculture	171	39%
Approved because use is compatible with agriculture	56	13%
Approved with compensating benefit to agriculture	33	8%
Approved based on community interests and needs	67	15%
Approved based on low suitability/capability for agriculture	115	26%
Total of reasons cited for approvals	**442**	**100%**

This table summarizes the decision reasons for applications approved by the Commission during 2003/04 based on the reasons cited in the Commission's decision letters.
The Commission tracks five major reasons for approvals as illustrated in the table. Some applications cite more than one reason for approval, thus the number of reasons tracked and reported exceeds the number of applications for which the Commission granted approval. Nevertheless, the breakdown of approvals by decision reason provides an indication of the relative weight of the various reasons that provide the bases for Commission decisions.